

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 L-03 JUSE-00 FTC-01 PA-01  
ICA-11 STR-07 COME-00 OMB-01 ITC-01 SP-02 TRSE-00  
/046 R

DRAFTED BY EB/IFD/BP:T A SCHLENKER:VJW  
APPROVED BY EB/IFD/BP:H J WINTER  
L/EB - C E ROH  
EA/J - H COCHRAN  
JUSTICE - H HALE  
-----036493 150645Z /14  
R 150206Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO

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E.O. 11652: GDS

TAGS: ETRD, JA, US

SUBJECT: INVESTIGATION OF U.S. AND JAPANESE MACHINE TOOL  
INDUSTRY

REF: STATE 159568

1. AS MENTIONED IN REFTTEL, DEPARTMENT OF JUSTICE (DOJ)  
HAS BEEN CONDUCTING AN INVESTIGATION TO DETERMINE WHETHER  
NATIONAL MACHINE TOOL BUILDERS ASSOCIATION (NMTBA) HAS BEEN  
ENGAGED IN COMBINATION OR CONSPIRACY IN RESTRAINT OF TRADE  
IN VIOLATION OF THE SHERMAN ACT. DOJ INVESTIGATION ALSO  
INVOLVES NMTBA'S COUNTERPART IN JAPAN, JAPAN MACHINE TOOL  
BUILDERS ASSOCIATION (JMTBA).

2. THUS FAR, FOCUS OF INVESTIGATION HAS BEEN ON DOMESTIC  
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ASSOCIATION ONLY. DOCUMENTS HAVE BEEN RECEIVED FROM NMTBA  
PURSUANT TO CIVIL INVESTIGATIVE DEMANDS. ORAL DEPOSITIONS  
OF OFFICIALS OF NMTBA ARE CONTEMPLATED IN NEAR FUTURE.

3. JUSTICE SUSPECTS THAT THERE MAY HAVE BEEN MEETINGS  
WITH JAPANESE PRODUCERS RELATING TO VOLUME OF JAPANESE  
IMPORTS INTO U.S., AS WELL AS ALLEGATIONS OF DUMPING.

PRESIDENT OF NMTBA SUBSEQUENTLY MADE A SPEECH WHICH WAS WIDELY REPORTED IN THE PRESS -- INCLUDING JAPANESE PRESS -- EXPRESSING CONCERN ABOUT JAPANESE IMPORTS AND ACCUSING JAPANESE INDUSTRY OF DUMPING. ACCORDING TO NEWSPAPER REPORTS, WITHIN A MONTH JAPANESE INDUSTRY FORMED AN EXPORT CARTEL BECAUSE OF "COMPLAINTS" FROM PRESIDENT OF AMERICAN NMTBA.

4. EMBASSY IS REQUESTED TO NOTIFY SECOND INTERNATIONAL ORGANIZATION SECTION OF MINISTRY OF FOREIGN AFFAIRS ABOUT COMMENCEMENT OF THIS INVESTIGATION AND POSSIBLE INVOLVEMENT OF ITS NATIONAL PURSUANT TO 1967 OECD NOTIFICATION PROCEDURES.

5. FOR EMBASSY BACKGROUND ONLY: POSSIBLE CONSULTATIONS BETWEEN JUSTICE AND GOJ MENTIONED REFTTEL WILL BE ARRANGED SEPARATELY OUTSIDE OECD FRAMEWORK. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MACHINE TOOL INDUSTRY, ANTITRUST, INVESTIGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE178727  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** T A SCHLENKER:VJW  
**Enclosure:** DG ALTERED  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Reference:** 78 STATE 159568  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** INVESTIGATION OF U.S. AND JAPANESE MACHINE TOOL INDUSTRY  
**TAGS:** ETRD, JA, US  
**To:** TOKYO  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014